GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1764
ANSWERED ON:08.08.2006
FUNDS TO COTTAGE INDUSTRY
Gowda Shri D.V. Sadananda

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether the cottage industries in the country particularly in Karnataka are facing acute financial crisis;

(b): if so, the reasons therefor;

(c): whether the States, particularly Karnataka has requested for allocation of more funds for development of cottage industry in the State;

(d): if so, the details thereof; and

(e): the action taken in this regard?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)&(b):Cottage industries in the country, including those in Karnataka, may face financial difficulties due to several reasons such as, weak financial base and managerial skills of entrepreneurs, inadequate credit availability, delayed payment from buyers, etc.

(c)to(e): No specific requests have been received from States, including Karnataka, for higher allocation of funds for development of cottage industries. The Government has, however, been providing adequate funds for implementation of various schemes to promote and develop agro and rural industries, including cottage industries, in the country. This is evident from the following:

(Rs. crore)

Year	Amount released
2003-04	606.13
2004-05	695.98
2005-06	868.03